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# One Year of Independence



India

15 August 1947 --

15 August 1948



GOVERNOR-GENERAL OF INDIA  
Chakravarti Rajagopalachari

CHIEF JUSTICE OF INDIA  
Mr. Justice Harilal J. Kania

CABINET

<i>Pandit Jawaharlal Nehru</i>	Prime Minister, External Affairs and Commonwealth Relations
<i>Sardar Vallabhbhai Patel</i>	Deputy Prime Minister, Home, Information and Broadcasting, and States.
<i>Jairamdas Daulatram</i>	Food and Agriculture
<i>Maulana Abul Kalam Azad</i>	Education
<i>Dr. John Matthai</i>	Railways and Transport
<i>Sardar Baldev Singh</i>	Defence
<i>Jagjivan Ram</i>	Labour
<i>Rafi Ahmad Kidwai</i>	Communications
<i>Rajkumari Amrit Kaur</i>	Health
<i>Bhimrao Ramji Ambedkar</i>	Law
<i>R. K. Shanmukham Chetty</i>	Finance
<i>Dr. Shyama Prasad Mukherjee</i>	Industries and Supplies
<i>Narhar Vishnu Gadgil</i>	Works, Mines and Power
<i>K. C. Neogy</i>	Commerce
<i>Gopalaswami Ayyangar</i>	Without Portfolio

MINISTER OF STATE

<i>Mohanlal Saxena</i>	Relief and Rehabilitation
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PRESIDENT OF THE CONSTITUENT ASSEMBLY  
*Dr. Rajendra Prasad*

PRESIDENT OF THE ASSEMBLY (LEGISLATIVE)  
*Ganesh Vasudev Mavlankar*

## PROVINCES

### ASSAM

*Governor*.....Sir Akbar Hydari  
*Premier*.....Mr. Gopinath Bardoloi

### BIHAR

*Governor*.....Mr. Madhao Shrihari Aney  
*Premier*.....Mr. Srikrishna Sinha

### BOMBAY

*Governor*.....Raja Sir Maharaj Singh  
*Premier*.....Mr. Bal Gangadhar Kher

### CENTRAL PROVINCES AND BERAR

*Governor*.....Mr. Mangaldas Mancharam Pakwasa  
*Premier*.....Pandit Ravi Shankar Shukla

### EAST PUNJAB

*Governor*.....Sir Chandulal Trivedi  
*Premier*.....Dr. Gopichand Bhargava

### MADRAS

*Governor*.....Sir Archibald Nye  
*Premier*.....Mr. Omandur P. Ramaswamy Reddiar

### ORISSA

*Governor*.....Mr. Asaf Ali  
*Premier*.....Mr. Harekrishna Mahatab

### UNITED PROVINCES

*Governor*.....Mrs. Sarojini Naidu  
*Premier*.....Pandit Govind Ballabh Pant

### WEST BENGAL

*Governor*.....Dr. Kailash Nath Katju  
*Premier*.....Dr. Bidhan Chandra Roy

## FOREWORD

On the 15th of August, 1947, India became a self-governing member of the Commonwealth of Nations. This assumption of power, which gladdened the heart of every Indian, was accompanied, however, by certain gigantic problems for the new Government headed by Pandit Jawaharlal Nehru. The communal disturbances in the northwestern portion of India, the migration of millions of people and the rehabilitation of displaced persons, which attended the birth of the Nation, occupied the attention and energy of the Government for several months.

The partition of the country, which was the climax to the Moslem League cry for a theocratic state, was accepted by most people in India as inevitable. But a small militant section of Hindus saw in the partition and in the subsequent tasks of Mahatma Gandhi, Pandit Nehru and other leaders nothing but appeasement of the Moslems. This group feared that Hinduism was in danger and conspired to unseat the Government which drew its inspiration from Mahatma Gandhi. In the middle of his mighty campaign to persuade extremist Hindus and Sikhs to forget past injuries and forgive the creators of the feud, the Mahatma was slain by a member of the Hindu terrorist organization. This was the biggest blow to India and yet the Nation rallied around the Government, and both showed in this crisis—as well as in past adversities—a resilience which impressed discerning observers.

The terrorist organization was outlawed, stringent security measures were successfully taken—thanks to the loyal devotion of the armed forces and other Services—and gradually the Nation settled down to work. All departments of the Government showed enterprise and a pattern began to emerge.

Within a remarkably short time, the leaders of the country, sitting together, wrote a draft constitution in which the hopes and aspirations of 320 million people have been crystallized. The integration of 550 Princely States into the Indian Union within a year was a proud accomplishment. The harnessing of the immense natural resources of the country for the benefit of the people is an undertaking proceeding apace.

The following pages will give a brief view of what India has done in her first year of independence.

Colonel M. K. Unni Nayar  
Public Relations Officer  
Embassy of India

Washington, D. C.  
August, 1948

**Population**

Provinces	229,180,788
States	88,515,290
<b>Total</b>	<b>317,696,078</b>

## CONSTITUTIONAL DEVELOPMENTS

The biggest constitutional change in India last year was the passing of the Indian Independence Act, 1947, which recognized the transfer of sovereignty over India from the British Parliament to the Indian Constituent Assembly.

The Indian people took charge of their affairs on August 15, 1947. Simultaneously a portion of India seceded to constitute the new State of Pakistan.

Prior to 1947 the governance of India was carried on under an Act of Parliament known as the Government of India Act, 1935. Sovereignty rested with the British Parliament. The Act conferred limited power to the Indian Legislative Assembly but these were subject to the veto of the Governor-General of India, appointed by His Britannic Majesty the King and representing the sovereign power of the Crown in Indian affairs. The Governor-General could issue "Ordinances" if circumstances existed which rendered it necessary for him to take immediate action, without consulting the Legislature and exercising in that behalf only his "individual judgment". He could even legislate on his own authority and pass Acts known as "Governor-General's Acts" for the purpose of "enabling him satisfactorily to discharge his functions".

The Governor-General was aided by an Executive Council nominated by him and responsible to him alone.

The eleven Provinces of India were similarly ruled by Governors appointed by His Majesty and subject to the overall supervision of the Governor-General.

The Provincial Legislative Assemblies were permitted to elect popular ministers who would function as a Cabinet responsible to the Legislatures. But the Governor always had the power to override the wishes of the Legislature and to rule the Province by himself, if he, with the concurrence of the Governor-General, so thought fit. He could also issue Ordinances and pass his own Acts.

In the Act of 1935 there was no provision for civil liberties nor did it include a Bill of Rights.

With the independence of India all this framework was swept away and the Governor-General thereafter became a constitutional ruler functioning with the advice and consent of the Council of Ministers responsible to the Constituent Assembly in whom sovereignty over India rested. The Act of 1935 was amended and remains in force until the framing of a new Constitution by the Constituent Assembly.

The Constituent Assembly was elected in accordance with the provisions of the White Paper of May 16, 1946, and held its first sitting on December 9, of the same year. On December 13, Pandit Jawaharlal Nehru introduced a Resolution which has already become a classic in the annals of freedom. Here are a few excerpts:

**The Resolution**—“This Constituent Assembly declares its firm and solemn resolve to proclaim India as an Independent Sovereign Republic and to draw up for her future governance a Constitution; wherein all power and authority of the Sovereign Independent India, its constituent parts and organs of government, are derived from the people; and wherein shall be guaranteed and secured to all the people of India justice, social, economic, and political: equality of status, of opportunity, and before the law; freedom of thought, expression, belief, faith, worship, vocation, association and action, subject to law and public morality; and wherein adequate safeguards shall be provided for minorities; backward and tribal areas, and depressed and other backward classes; and whereby shall be maintained the integrity of the territory of the Republic and its sovereign rights on land, sea and air according to justice and the law of civilized nations: and this ancient land attain its rightful and honoured place in the world and make its full and willing contribution to the promotion of world peace and the welfare of mankind.”

In the course of his speech Pandit Nehru remarked:

“As I stand here, Sir, I feel the weight of all manner of things crowding around me. We are at the end of an era and possibly very soon we shall embark upon a new age; and my mind goes back to the great past of India, to the 5,000 years of India’s history, from the very dawn of that history which might be considered almost the dawn of human history, till today. All that past crowds around me and exhilarates me and, at the same time, somewhat oppresses me. Am I worthy of that past? When I think also of the future, the greater future I hope, standing on this sword’s edge of the present between this mighty past and the mightier future, I tremble a little and feel overwhelmed by this mighty task. We have come here at a strange moment in India’s history. I do not know but I do feel that there is some magic in this moment of transition from the old to the new, something of that magic which one sees when the night turns into day and even though the day may be a cloudy one, it is day after all, for when the clouds move away, we can see the sun later on. Because of all this I find a little difficulty in addressing this House and putting all my ideas before it and I feel also that in this long succession of thousands of years, I see the mighty figures that have come and gone and I see also the long succession of our comrades who have laboured for the freedom of India. And now we stand on the verge of this passing age, trying, labouring, to usher in the new.”

**Constitution Making**—The primary task of the Constituent Assembly was to frame a constitution. But the effort was marred by the persistent attempt of the Moslem League to wreck the Constituent Assembly with a view to achieving Pakistan. By reason of their inflammatory speeches, and organized drive in that behalf, the Moslem masses were roused to a pitch of frenzy and, in the areas where they were in a majority (principally in West Punjab), began to coerce, victimise and exterminate the Hindu and Sikh minorities. The propaganda dinned in their ears was broadly (a) that the Moslems in India were a superior people and (b) that it was their destiny to be the ruling class in India. Earlier (in 1943) Mr. F. K.

Khan Durrani, the learned author of "The Meaning of Pakistan" had told them that there was "not an inch of the soil of India which our fathers did not once purchase with their blood. We cannot be false to the blood of our fathers. India, the whole of it, is therefore our heritage and it must be reconquered for Islam."

Disturbed by the scale of these massacres the Congress Working Committee in its meeting in March concluded that there could be "no settlement of the problem of the Punjab by violence and coercion . . . . Therefore it is necessary to find a way out which involves the least amount of compulsion. This would necessitate the division of the Punjab into two provinces so that the predominantly Moslem part may be separated from the predominantly non-Moslem part."

On June 3, the British Government announced their plan for transferring power to India and Pakistan which, latter, was constituted by grouping the seceding provinces of Baluchistan, Sind, N.W.F.P., and the predominantly Moslem area of the Punjab (now known as the West Punjab) in the northwest of India and the predominantly Moslem area of Bengal (now known as East Bengal) in the northeast of India.

**August 15, 1947**—The creation of the professedly Moslem state of Pakistan gave rise to the assumption in some quarters that India was now a Hindu State—and some extremists in India even argued for this view. But that was not so. The leaders of India refused to be provoked and maintained their vision of India being a free society of free peoples in which Hindus, Moslems, Sikhs, Christians, Jews, Parsis and others enjoyed equal rights under the Constitution. (There are still over 40,000,000 Moslems in India besides 10,000,000 Christians and 5,000,000 Sikhs.) Pandit Nehru reminded his people from time to time that India was a composite and a secular state. This was reflected in the personnel of the Cabinet soon after August 15. Out of fourteen ministers (including the Prime Minister) only six were caste Hindus, the remainder being 2 Moslems, 2 Christians, 2 Harijans, 1 Sikh and 1 Parsi.

While the Government of India laboured under the colossal task of rehabilitating over five million displaced persons and refugees from Pakistan, the Constituent Assembly was not idle. Its Drafting Committee (under the chairmanship of an "untouchable") produced a draft constitution early this year. The preamble of the drafts runs as follows:

"We, the people of India, having solemnly resolved to constitute India into a sovereign democratic republic and to secure to all its citizens:

JUSTICE, social, economic and political,

LIBERTY of thought, expression, belief, faith and worship,

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the Unity of Nation,

In our Constituent Assembly . . . . do hereby adopt, enact and give to ourselves this Constitution."

The Draft has an impressive list of Fundamental Rights. Under the heading "Rights of Equality" it (a) prohibits discrimination on the grounds of religion, race, caste or sex, (b) guarantees equality of opportunity in the matter of employment under the State; (c) abolishes untouchability (i.e. makes its practice a punishable offence); (d) bars the conferment of any titles by the State; (e) assures freedom of speech, assembly, association, residence, acquisition of property, and practice of any business, trade or profession.

It also enacts a "due process" clause, according to which "no person shall be deprived of his life or personal liberty except according to procedure established by law . . ." It illegalizes traffic in human beings and forced labour, and prohibits the employment of children under fourteen years of age in factories or mines.

**Freedom of Worship**—Under the heading "Rights relating to Religion", it declares that subject to public order, morality and health . . . . all persons are equally entitled to freedom of conscience and the right to profess, practice and propagate religion. It bars religious instruction by the State or by any educational institution subsidised by the State. It protects the right of linguistic minorities to retain their cultural distinctness.

Rights to property are guaranteed. Furthermore every citizen has a right to move the Supreme Court in the appropriate manner, to ensure the enforcement of the liberties allowed him by the Constitution.

A novel principle is introduced. The Draft includes a chapter on the "Directive Principles of State Policy," and lays down that the State shall so conduct the policy that

- (1) the citizens, men and women equally, have the right to an adequate means of livelihood;
- (2) the ownership and control of the material resources of the community are equitably distributed;
- (3) the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;
- (4) there is equal pay for equal work for both men and women.

Furthermore, "the State shall endeavor to secure by suitable legislation or economic organization or in any other way, to all workers, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities."

The Draft envisages India as a "Union of States". The term "State" includes the existing Provinces as well as "Princely States". The distribution of powers between the Union and the States contemplates the existence of three Legislative Lists, List I enumerating

the legislative powers of the Union; List II of the States. List III describes the concurrent powers. Residuary powers rest in the Union.

Both in the Union as well as the States, the Executive is of the parliamentary type. The President of the Union or the Governor of a State—as the case may be—will carry out his functions with the aid and advice of his Council of Ministers responsible to the Indian Parliament.

The Supreme Court will be, as in the U.S.A., the guardian of the Constitution.

**Lord Mountbatten's Governor-Generalship**—In June, this year, His Excellency, Lord Mountbatten, relinquished his office as Governor-General of India—the last Briton to hold the office. He was succeeded by Chakravarti Rajagopalachari.

On June 18, Pandit Nehru, the Prime Minister, conveyed to him a message from the Cabinet which was not just a formal message on behalf of the Government of India “but is a real expression of our affection and gratitude to you and of our sorrow at your departure.”

In his reply to Pandit Nehru, Lord Mountbatten said: “I never thought the day would come when I would be emotionally moved by any Cabinet resolution, but this is exactly what your resolution has done to me. I particularly appreciate the kind terms wherein a tribute to my wife has been paid. We will keep this copy among the most treasured possessions in the family archives.”

The Cabinet’s message and Lord Mountbatten’s reply are symbolical of a great change in Indo-British relations which have been transformed from decades of bitter hostility to enduring friendship and goodwill. The credit for ensuring this result in the constitutional field must go to the Labour Government in Britain, and the amazing sight of a British Governor-General—hitherto associated with autocracy and despotism—being acclaimed by the Indian masses as they would their own popular leaders is the peculiar achievement of Lord and Lady Mountbatten.

## PRINCELY STATES

Before the scheme laid down in the Draft could function effectively it was necessary to bring the 550 odd princely states in the pattern of democracy which was implicit in new India and in accord with the recent struggle for freedom.

The history of these princely states goes back to the 18th Century when the Mughal Empire in India was crumbling under the misrule of the Emperor Aurangzeb. Resistance and rebellion developed as a result of his policy of religious persecution and the country was reduced to a state of chaos. At this time British merchants entered the fray. The East India Company began to develop political power simultaneously with what the Butler Report calls the “Mahratta Supremacy,” which was steadily ousting the authority of the Mughals.

In the course of its rise to power the East India Company made alliances with many chiefs, entered into commitments with others and gained control in due course, over the whole of India. When authority over the affairs of India was transferred in 1858 from the Company to the Crown most of the Indian princes were already in subordinate relationship to the Company. The right of the Crown to control and superintend their internal affairs was eventually described as the "law of paramountcy."

It should be noticed that although the territories of these princes and chiefs have frequently been described by the generic term "Indian States", hardly any of them were sovereign or independent at the time they established relations with the East India Company. "It is not in accordance with historical fact," says the Butler Committee Report (1928-29), "that when the Indian States came into contact with the British power they were independent each possessed of full sovereignty and of a status which a modern international lawyer would hold to be governed by the rules of international law. In fact, none of the States ever held international status. Nearly all of them were subordinate or tributary to the Mughal empire, the Mahratta supremacy in the Sikh kingdom, and dependent on them. Some were rescued, others were created, by the British."

The State of Udaipur, for example, is one of the most ancient States of India and was in existence long before the Moslem invasion of India, but it had, after continuously defying the might of the Moslem power, eventually succumbed to the Mahrattas from whom it was, as the Butler report says, "rescued" by the British. On the other side is the State of Hyderabad which was not even a "State" in the restricted sense used here. It was a governorship of the Mughals, and the ancestor of the present ruler of Hyderabad—Nizam-ul-Mulk—was appointed viceroy sometime in 1724. For the services rendered by the Nizams to the British the title of "Faithful Ally" was given by them to the rulers of Hyderabad though Lord Reading, the Viceroy of India, informed the Nizam in 1926, that this "has not the effect of putting your Government in a category separate from that of the other states under the paramountcy of the British Crown."

**Descriptive**—Geographically the princely States were distributed all over India with a bewildering lack of logic. Their territories dovetailed into, and were closely interwoven with, those of what was until recently known as British India. Even where there were solid blocks of princely States the territories were so irregular that the States had enclaves in the Provinces and vice-versa.

The main part of the communications essential to the welfare of the whole country passed in and out of the territories of the Indian States. A community of interests in the wider economic field linked the States with the Provinces.

The geographical setup of the Princely States did not coincide with any ethnic, racial or linguistic divisions. Close ties of cultural affinity, no less than those of blood and sentiment, bound the people of the States and the Provinces together. The States were again characterised by a great disparity in the size and population of their territories. Kashmir State with an area of 84,471 square miles (popu-

lation: about four million) and Hyderabad State closely following it with an area of 82,313 square miles (population: sixteen million) constituted the largest territorial units. There were 15 States which had territories of more than 10,000 square miles and 67 having territories ranging from 1,000 to 10,000 square miles. There were 202 States having each an area of less than 10 square miles.

Rulers of all these States in the past had been held up by the imperialist tradition of British conservatism as examples of the "complexity" of the Indian situation, and as constituting one of the various "minorities" without whose consent the rising tide of democratic self-consciousness in India, could not be allowed to function in terms of Indian freedom. The people of these Princely States had, however, organized themselves as the "States Peoples' Conference" and demanded through this organ (a) institutions of democratic self-government in their respective States and (b) their integration in the contemplated Indian Union.

**Paramountcy**—This was the situation when the overwhelming victory of the Labour Party in Britain brought a welcome and farsighted change in the official policy of the British Government towards India and led to the initiation of measures which eventually resulted in the transfer of power on August 15, 1947.

As a result of the commitments made by the Conservative Party, when that Party was in power, the British Government was unable to provide for the automatic integration of the Princely States in the Indian Union. The Indian Independence Act did no more than declare that "the suzerainty of His Majesty over the Indian States lapses, and with it, all treaties and agreements in force" at that time. All functions exercisable by His Majesty at that day with respect to the Indian States, and all obligations, rights and powers as well, also lapsed.

Theoretically, therefore, the Princes became "independent" as the "paramountcy" which the Crown had exercised so far could, in accordance with the assurance given to the Princes, "neither be retained by the British Crown nor transferred to the new Government."

Did this mean that the princes became independent sovereign States?

Certainly not. If one is to interpret the strict legal consequences of the lapse of "paramountcy" then the withdrawal of British power should relegate the princes back to the position they had held when they came into contact with British power, in which case they would be much worse off. There was, however, a tendency on the part of some princes to strive for recognition as independent States. In this they were strongly opposed by their subjects.

The Indian National Congress held the view that it was in the best interests of the princes themselves (a) to become autonomous members of the Indian Union and (b) to take the elected members of their people in their confidence for the tasks of government.

There would then be no question of "paramountcy" as the representatives of the States would also sit in Parliament and share in decisions affecting the whole of India.

The alternative was an inevitable exercise of dominant power by the Indian Union inherent in it by the fact that history and geography and of the right to live as a free people. The existence of over 500 separate units as sovereign States would have spelt the ruination of Indian freedom from the moment of its emergence. Indeed, there were some who nursed the hope that, overwhelmed by the combined weight of the partition of India and the disruption of the States, the new Government of India would go under.

This did not happen. On the contrary, in the space of a few months order was created out of the potential mass of disorder and the unity and integrity of India became an accomplished fact.

**States Ministry**—The first step to ensure this result was the creation, on July 5, of a "States Department" for India, later known as the States Ministry. On the same day Sardar Vallabhbhai Patel, Minister for States, issued a statement defining the policy of the Government of India, and invited the rulers to join the Indian Union and thereby to make laws for the whole of India "sitting together as friends" instead of "making treaties as aliens."

On July 25, 1947, Lord Mountbatten, the Governor-General, addressed a specially convened meeting of rulers and representatives of the Indian States and made, among others, the following remarks:

"It took three years to separate Burma from India . . . It took two years to separate the Province of Sind from Bombay. It took two years to separate the Province of Orissa from Bihar. Gentlemen, we decided that in less than 2½ months we shall have to go through the partitioning of one of the biggest countries in the world with 400 million inhabitants. There was a reason for this speed. I was quite certain that while the British overlordship remained no satisfactory conclusions could be reached psychologically between the parties . . .

"Now, the Indian Independence Act releases the States from all their obligations to the Crown. The States have complete freedom—technically and legally they are independent. Presently I will discuss the degree of independence which we ourselves feel it best in the interests of your own States. But there has grown up during the period of British administration, owing to the fact that the Crown Representative and the Viceroy are one and the same person, a system of coordinated administration on all matters of common concern which meant that the sub-continent of India acted as an economic entity. That link is now to be broken. If nothing can be put in its place, only chaos will result, and that chaos, I submit, will hurt the States first—the bigger the State the less the hurt and the longer it will take to feel it—but, even the biggest of the States will feel itself hurt just the same as any small State.

" . . . It was necessary to set up two States Departments, one in each Government (India and Pakistan) because the States are theoretically free to link their future with whichever Dominion they may

care. But when I say that they are at liberty to link up with either of the Dominions, may I point out that there are certain geographical compulsions which cannot be evaded. Out of some 565 States, the vast majority are irretrievably linked geographically with the Dominion of India."

Most of the princes responded with a measure of patriotism that did them credit. Arrangements were made for the initiation of "Standstill Agreements" which provided for the continuance, for the time being, of all subsisting agreements and administrative arrangements in matters of common concern between the States and India or any part thereof.

**Problem of the Smaller States**—While the bigger States—specially those that had an area and population large enough to enable them to become viable administrative units—could accede, as they were, the integration of the smaller states presented a problem which required immediate solution.

Two methods were adopted:

- (a) Merger of the smaller States in the administrative set-up of the existing Province or the Central Government where such a step was indicated; and
- (b) their constitution into separate administrative units.

A. An example of the first kind is the merger of "Chattisgarh States" and the Orissa States respectively in the Central Provinces and Orissa. These numbered 39 and covered an area of about 56,000 square miles.

Other mergers of this kind were (1) 17 Deccan States and (2) the 157 (or 289 if the units are subdivided according to the number of the shareholders) Gujarat States in the Province of Bombay (3) Lohari, Dujana and Pataudi in the Province of East Punjab, and others.

In some cases, for administrative reasons, the integration was with the Union Government instead of a Province as in the case of East Punjab Hill States which became a centrally administered unit known as Himachal Pradesh; also the State of Kutch.

Provision in all these cases was made guaranteeing to the Rulers their succession, Civil List, personal property rights, privileges, dignities and titles. Their Civil List is calculated on the basis of 15% on the first \$30,000 of the average annual revenue of their States, 10% on \$60,000 to \$150,000; 7½% above \$150,000 subject to a maximum of \$301,000.

B. Examples of Unions of States are:

(1) The United States of Kathiawar (known as Saurashtra) which comprised 217 States and estates (449 units if calculated on the basis of further fragmentation according to the number of shareholders). It has an area of 31,885 square miles and a population of about 3,500,000. A special feature of the scheme is the provision

for the "Raj Pramukh" who would be the constitutional head of the State and elected by the Council of Rulers. An interim popular Ministry was set up in this region and provision made for a Constituent Assembly to frame a Constitution within the framework of the Covenant and the Constitution of India.

(2) The United States of Matsya consisting of the States of Alwar, Bharatpur, Dholpur and Karauli. It has an area of 7,536 square miles and about 1,837,000 inhabitants.

(3) The United States of Vindhya Pradesh, comprising 35 Bundelkhand and Bagelkhand States.

(4) The United States of Rajasthan.

(5) The United States of Gwalior, Indore and Malwa.

(6) Patiala and East Punjab States Union.

To recapitulate, the Government of India adopted three different processes to solve the problem of the States.

**Three Processes**—The first step is the merger of the States in the adjacent Provinces. Under this process 219 States with a total area of 84,774 square miles, population of about 12,000,000, and a revenue of about \$16,300,000 have been integrated with the different Provinces.

The second is the consolidation of States into centrally administered areas. This process has so far affected 22 States covering a total area of 19,061 square miles with a population of about 1,500,000 and a revenue of about \$5,000,000.

The third is the integration of the territories of States to create new viable units. This process has so far covered a total area of 150,400 square miles with a population of over 23,000,000 and a revenue of about \$85,000,000.

The number of States has thus been reduced from over 550 to about 24.

The Government of India have attached one essential condition to all these schemes. They have firmly declined to be a party to any arrangements relating to the States unless they expressly provide for the establishment of responsible Government.

The consummation of the new arrangement of Indian States has involved protracted negotiations, perseverance and hard labour on the part of the Minister for States, Sardar Patel, and the Secretary of the States Ministry, Mr. V. P. Menon. The results that have been achieved will leave an imprint on India's history. By their ready appreciation of the aspirations of the people, the Princes made the integration of States in larger units, and the transfer of power to the people smooth and peaceful. They may well claim to be co-architects in building a free and democratic India in which the people of the Provinces and the people of the States will enjoy alike the full measure of freedom and work together as citizens of free India.

## I. STATES TO BE CENTRALLY ADMINISTERED

	<i>Number of States merged</i>	<i>Area in sq. miles (approximately)</i>	<i>Population (approx.)</i>
Kutch	1	8,461	501,000
Himachal Pradesh	21	10,600	936,000

## II. UNIONS OF STATES

Saurashtra	217	31,885	3,522,000
Matsya	4	7,536	1,838,000
Vindhya Pradesh	35	24,610	3,569,000
Rajasthan	10	29,977	4,261,000
Gwalior-Indore-Malwa Union	20	46,273	7,150,000
Patiala & East Punjab States Union	8	10,119	3,424,000

## III. INDIVIDUAL VIABLE STATES

	<i>Area (sq. miles-approx.)</i>	<i>Population</i>
Baroda	8,235	2,855,010
Hyderabad	82,313	16,338,534
Jammu & Kashmir	84,471	4,021,616
Mysore	29,458	7,329,140
Bhopal	6,921	785,322
Kolhapur	3,219	1,092,046
Travancore	7,662	6,070,018
Bikaner	23,181	1,292,938
Cochin	1,493	1,422,875
Jaipur	15,610	3,040,876
Mayurbhanj	4,034	990,977

## IV. STATES NOT AFFECTED SO FAR BY MERGERS OR INTEGRATION

	<i>Area (sq. miles-approx.)</i>	<i>Population</i>
Banaras	366	451,428
Cooch Behar	1,318	640,842
Jaisalmer	15,980	93,246
Khasi States	3,788	213,586
Manipur	8,620	512,069
Rampur	894	477,042
Sandur	158	15,814
Tehri-Garhwal	4,516	397,369
Tripura	4,116	513,010

\* States in table III and IV have also acceded to the Indian Union.

## JAMMU AND KASHMIR

The original Indian charge against Pakistan in respect of Kashmir made in the Security Council was that Pakistan gave assistance to raiders by way of vehicles, petrol and fighting equipment, that Pakistan allowed them free passage through Pakistan territory to Jammu and Kashmir, that Pakistan allowed the raiders the use of its territory as a base of operations, that Pakistan officers were training, guiding and otherwise actively helping the raiders, and that many Pakistan nationals were taking part in the raids. Pakistan's complicity based on moral and material help given to the raiders was not denied by their representatives to the U.N.O., nor was any promise or effort made to restrain the raiders and deny them future help.

A complaint was filed with the United Nations by the Prime Minister of India, who is also Minister for External Affairs, on the 31st of December 1947. It might be useful to trace the history of the causes that led to India's commitment in Jammu and Kashmir.

**Jammu and Kashmir: Some Facts**—The State of Jammu and Kashmir lies in the region of the Himalaya between 32° and 37° north and 73° and 80° east. It covers an area of 84,471 square miles and is the largest of the Indian Princely States. Physically it may be divided into three areas: the upper area bound by the river Indus and its tributaries; the middle, bound by the Jhelum and Kishenganga rivers; and the lower area consisting of the level strip along the southern border, and its adjacent ranges and hills. The dividing lines between the three areas are the snowbound inner and outer ranges of the Himalaya known as the Zojila and the Panchal. The State is bounded to the Northeast by Tibet, to the north by Chinese Turkestan (Sinkiang), to the northwest by Afghanistan, to the west by Pakistan and to the south by Pakistan and India.

Administratively, it consists of three provinces—the frontier districts of Gilgit and Ladakh which are Tibetan and semi-Tibetan tracts, the middle region of the beautiful Kashmir Valley, and the large level areas of Jammu in the south. The total population is 4,021,616, according to the census of 1941, of whom 77.11% are Moslems, 20.12% are Hindus and 2.77% are Sikhs, Buddhists and others. Ladakh is populated by Buddhists, Gilgit by Moslem Nomads, the Kashmir Valley by the Kashmiris (Pandits and Moslems) and Jammu province by Moslems, Dogra Brahmins and Rajputs, and Sikhs. The present dynasty, represented by the Maharaja, Sir Hari Singh, has ruled the State as at present situated for over 100 years by virtue of the Treaty of Amritsar of 1846 concluded by Gulab Singh with the British. At that time, Gulab Singh held Jammu, Ladakh and Baluchistan, while Kashmir and Gilgit were under the Sikh rulers of Lahore. With the defeat of the Sikhs in the Punjab by the British, the Kashmir and Gilgit territories held by them were transferred to the present dynasty.

Seventeen years ago a democratic movement led by Sheikh Mohammed Abdullah spread through the State. Sheikh Abdullah rallied all sections of the people under his All-Jammu and Kashmir

National Conference whose aim was to get the people, irrespective of race or religion, truly represented in the management of affairs. Sheikh Abdullah was imprisoned no less than eight times, his last period of incarceration being terminated by the Maharaja towards the end of last year when raiders were already despoiling the State. The Ruler, after he had signed the instrument by which provisionally the State acceded to the Indian Union, invited Sheikh Abdullah to become the Chief Executive of the State, resigning himself to the position as Constitutional head.

Soon after August 15 last year, the State of Jammu and Kashmir announced its intention of negotiating standstill agreements with both India and Pakistan. In fact, however, the State signed a standstill agreement only with Pakistan and entered into no agreement with the Government of India prior to October 26, 1947. The object of the standstill agreement was to provide for the continuance of economic and administrative arrangements between the State and Pakistan on the same basis as had existed before the creation of the new Dominions. Nevertheless, in an effort to coerce the State into accession to Pakistan, the Pakistan authorities cut off supplies to Kashmir of food, petrol and other essential commodities and hindered the free transit of travellers between Kashmir and Pakistan. Economic pressure was thus applied simultaneously with military pressure in the form of border raids. Conditions in the State were made more difficult by the communal disturbances which broke out in the two halves of the Punjab after the announcement of partition. There was a large influx of refugees into the southern districts of the State which became a channel for the passage of Moslem refugees moving from the East Punjab (India) to the West Punjab (Pakistan) and for non-Moslems moving in the opposite direction.

Preliminaries to the invasion of Kashmir and Jammu began soon after partition on August 15th. Throughout September, reports of infiltration into the State territory from border districts of Pakistan continued to arrive. The State Government made representations to the authorities of these Districts. These brought denials but no action.

Soon armed men in uniform or in civilian clothes began to appear in various parts of Jammu province, and by October, many towns were under a regular seige. Heavy fighting broke out between Kashmir State troops (there were no Indian Army troops in the State) and the raiders. Towns like Poonch, Mirpur, Kotli, Bagh, Bhimbar, Rawalakot and Naushahra were attacked by large numbers of armed men who were obviously nationals of Pakistan and who wore uniforms of sorts. The strategy of the raiding forces, obviously well coordinated and directed according to a plan, was to draw out State force troops to the border areas by a series of feints and then make for the Kashmir valley. Thus the third week of October was to see a large force of armed men in lorries moving up the Domel-Baramula road. This force overcame what resistance the small State force detachment at Uri could put up, advanced and captured Mahura where the powerhouse is located and arrived at Baramula.

The Government of India then (Oct. 25) received the first request for military aid from the Government of Jammu and Kashmir. At that time, the Government of India had no agreement, military or political, with the state. No plans for sending troops to Kashmir had been considered.

**Accession**—The Government, however, were bound on humanitarian and good-neighbourly grounds to lend support to a State which had been overrun by marauders and armed gangsters. The Government of India asked the Maharaja of Jammu and Kashmir for formal, provisional accession of the State to the Indian Union, without which military help could not be given. The Government of India made it clear that the accession would be provisional and would be ultimately settled by a plebiscite in the State which would be held soon after normal conditions were restored. The Maharaja, on the advice of Sheikh Abdullah, leader of the National Conference, legally acceded to the Indian Union, and the State became by international law a part of India.

**Military Operations**—On the morning of the 27th of October 1947, the first contingent of Indian troops was flown to Srinagar from New Delhi. The fate of the city and of the aerodrome was uncertain owing to the fact that the raiders had been reported in strength at Baramula which was only 32 miles west-northwest of Srinagar. Our troops arrived and prepared the aerodrome for defence. A part of the force motored to Baramula and put in an attack which had to be abandoned owing to the superior numbers of the raiders and their use of mortars, medium machine-guns and such like weapons. The Indian force fell back on another position and awaited reinforcements.

For over a week aircraft took men and equipment from New Delhi to Srinagar, thus building up an adequate force to meet the threat to the Capital. All this time, bands of raiders were roaming the valley, setting fire to villages, looting houses, abducting women and killing men. On November 6, the raiders came as close as 4½ miles from Srinagar, but by then the Indian force was ready to strike. They attacked the raiders' main positions on the Srinagar-Baramula road and put them in flight. Pursuit was joined and the next day the Indian force entered Baramula after driving off the bulk of the raiders.

Baramula was found half destroyed and completely looted. The raiders, who included Mahsuds, Afridis and other clans of Pathans, had terrorized the population which had fled into the surrounding woods. The raiders had not even spared the foreign community in Baramula, mostly missionaries, who assembled for refuge in the Presentation Convent. Many of these foreigners were attacked and two Britons—a Colonel and Mrs. Dykes, the Assistant Mother Superior—Sister Theresalina—a Nursing Sister, a woman patient and others were killed; the Mother Superior was badly wounded. People of all religions and races thankfully welcomed the Indian forces when they reached Baramula.

Those were the worst days in the Kashmir valley, into which the raiders have not been allowed to set foot since.

**Jammu**—Meanwhile, the small State forces garrisons in Bimbhar, Rawalakot, Bagh and other towns in Jammu Province had been forced by superior numbers and inadequate supplies to fight their way out of the beleaguered towns. State force garrisons, however, were still holding out heroically in Kotli, Mirpur and Poonch. The Indian Army, with headquarters now in Jammu City, began operations to relieve the State force garrisons, rescue the thousands of refugees who had assembled in these towns for safety, and drive out the raiders from the southwestern districts of Jammu. Poonch was occupied and Kotli was relieved, but Mirpur fell to the raiders who gave a savage demonstration of mass massacre on the innocent refugees. This was but one episode in the bloody events that accompanied the raids in Jammu and Kashmir.

Winter was now setting in, and with slender communications, heavy rain and snow and the rugged nature of the terrain, the Indian Army was forced to confine its activities to vigorous patrolling and sweeps of small sectors. The raiders, with their headquarters across the Jammu border in Pakistan, now indulged in "hit and run" raids all along the 200-odd miles of the frontier.

Many of these raiding parties were put to flight by the Indian outposts, but others continued their depredations. During the severe winter, when communications with the Srinagar valley from India or from Jammu Province ceased for weeks on end, the raiders massed up for frontal attacks on Indian positions in their various bases—Uri, Poonch, Naushahra. These attacks, however, were beaten off with such heavy casualties to the raiders that their plans of capturing Jammu city suffered a serious set-back.

With the advent of spring, the Indian forces launched a vigorous offensive in the course of which they occupied such towns as Chingas, Mendhar and Rajauri in Jammu. In each newly captured town Indian troops discovered harrowing evidence of the slaughter of the innocents by raiders. Hundreds of bodies were found buried in large pits; no young woman was to be found anywhere in these areas.

Meanwhile, further north in the mountainous sector around Uri, the Indian Army moved forward clearing over 3,000 square miles to territory. The villagers were rehabilitated. The Indian advance towards Domel was proceeding with such speed that Pakistan obviously decided to throw in her regular troops in order to attempt to stem it.

The areas of the State held by Indian forces today are:—Ladakh, Kashmir valley and the stretch of territory to the west of the valley as far as Chakothi and Tithwal, Poonch city and all of Jammu Province except for Mirpur district, a part of Poonch district and a part of Muzaffarabad district. The raiders are in control of Gilgit and are operating aircraft from an aerodrome in Gilgit. It is significant that raiders began to use aircraft about the time when Pakistan announced that three of their aircraft had been "stolen".

## FOOD AND AGRICULTURE

Communal disturbances in the Punjab and Delhi in August-September disorganised in some places and for a time the telephone and telegraph systems; created acute scarcity of labour which used to handle the grain; railways and roads leading into affected areas were blocked, and millions of refugees on the long trek from all parts of Western Pakistan, who passed through improvised camps, had to be provided for. At one stage over 400,000 refugees scattered in more than 30 camps were being fed by the Central Food Ministry. All these things did occur; yet in no instance was there a breakdown in food supplies. Quite often the system was strained to breaking point, but new plans were ready to meet fresh crises. On September 10, 1947, Delhi, the "nerve-centre of the Indian administration" itself, had only two days' supply of grain, but the rationing system was kept going. Special trains carrying vital supplies were rushed to Delhi, and plans were immediately put into effect to move grain into retail shops. The crisis was successfully tided over and it was only some time after that the people were told of the disaster they had escaped.

**"Progressive Decontrol"**—Since 1943 the food policy of the Government had gradually developed into one of rigid control over supplies and distribution. All imports were on Government account; internal production was subject to monopoly procurement or a compulsory levy in most Provinces, and by the end of 1947 approximately 150 million people were rationed.

The period of war emergency had passed. With political freedom round the corner, the people were in no mood to submit to regimentation in food. The consumers were being successively reduced to a thin diet (while 10 oz. was the average ration in the country during 1947, it had gone down to as low as 4 oz. and 6 oz. in certain areas), the primary producer was willing to go out of business rather than surrender his grain for an unremunerative wage for his labour, and the traders could hardly be expected to like a policy which had ousted them from their traditional calling, and brought confusion into the grain trade.

The success of the policy of price control and rationing depended upon an ever-increasing supply of grain imports from abroad. And in international circles India received much sympathy, but the allocations of grain to her were not always commensurate with her dire needs.

In addition the drain on our financial resources was alarming. In 1945-46, India spent \$240 millions in foreign exchange against a total earning of \$810 millions, and in 1946-47, \$300 millions were spent on imported foodgrains against our total foreign earnings of \$900 millions. From these figures it became increasingly clear that our nation, on the threshold of great industrial development, would have to reorganize its internal economy if it was to survive. A break through the vicious system of controls was a plain necessity. The choice was no longer between control and decontrol but between decontrol and a complete collapse on the food front. This led Dr. Rajendra Prasad, then Food Minister, to appoint a Committee to

examine food policy in the light of the demands of a free nation. The main recommendations of the Committee were:

- (i) Acceptance of the policy of reduction of Government commitments under rationing and controlled distribution.
- (ii) A beginning to be made with those rationing commitments which were accepted in recent years and reduction to be effected in the reverse order to the original process of extension.
- (iii) The basis of reduction to be decided with reference to local conditions with the definite aim of liquidating Government commitments as early as possible.

Looking at the Central Food Ministry's activities from the perspective of a year's operations, three conclusions stand out. First, the country has avoided a disaster on the food front by careful planning, notwithstanding innumerable difficulties. Second, the supply position—both as regards imports and grain stocks in possession of Provincial Governments—is better than in any previous year; and third, that despite the tremendous pressure of daily needs, for the first time it has been possible to build up a small grain reserve.

**Better Imports**—The position regarding imports is very much stronger than in any previous year. Instead of "mercy appeals" to foreign countries for assistance, food agreements with a few countries have assured India of a regular flow of foodgrains.

The failure of the United States Senate to ratify the International Wheat Agreement deprived India of an assured quantity of wheat at known prices, but this has been offset by an agreement with Australia under which India is to receive 100,000 tons in addition to 680,000 tons of wheat contracted for earlier in the year.

The total quantities of foodgrains which arrived in India from overseas during the current year up to July 8 are 1,700,000 tons as compared to 1,100,000 and 700,000 tons for the corresponding periods in 1947 and 1946. Largely as a result of this improved import position, the stocks with the Provincial Governments are greater now than at the beginning of the year.

India is desperately short of locomotives and wagons, and yet out of 2,800,000 tons of foodgrains to be supplied to deficit areas in the country, 1,850,000 tons were moved by the railways during the first half of the year. In terms of detailed organization it meant 12 special trains every 24 hours, continuously for six months, carrying controlled foodgrains alone to deficit Provinces.

**Prices**—During recent days, there has been a steep rise in the prices of foodgrains in some Provinces. This raise in foodgrain prices over Government controlled rates was inevitable under free trade and was anticipated when the new policy was introduced. A period of transition either in the life of a nation or in a great experiment is always fraught with many difficulties. This was what Dr. Rajendra Prasad had in mind when, addressing the Legislature on December 10, 1947, he stated: "I have no doubt that with the difficulty of procurement, with the difficulty of exchange and generally the adminis-

trative difficulties which have arisen on account of control, a breakdown sooner or later was inevitable. That breakdown would be infinitely more disastrous than anything that may happen on account of a rise in prices. The Government has therefore decided to take what it considers to be the smaller risk." Weekly prices from 1,000 centres are being scrutinised and a team of experts is touring some of the Provinces sifting evidence on the present disturbing price trends. As soon as these reports are received, steps will be taken to deal with the situation.

The first twelve-month period of freedom has seen alarms and austerity rations in parts of the country, but nonetheless starvation has been prevented and there has been general relief at the disappearance of restrictions on food prices and food consumption. War against food scarcity is still on, but there cannot be a return to the old tactics of rigid control.

**Increased Production**—The solution of some of India's most pressing problems lies in increasing agricultural production so as to attain self-sufficiency in food in the shortest possible time. It has generally been a good year for crops, without heart-breaking losses through crop diseases or failures of the monsoon or floods—with one exception, Madras, where because of a prolonged drought there was a short fall in production by over a million tons.

Agriculture is a provincial responsibility. The Centre can allocate a part of the funds for provincial schemes, it can offer technical advice, carry out research, offer guidance, co-ordinate supplies of essential materials and undertake complex organization and technical schemes, e.g. planned irrigation by tubewells served by electric power, or land reclamation through mechanised means, but it is ultimately a provincial responsibility to "make two blades of grass grow where one grew before."

The following figures of assistance given by the Central Government during 1947-48 to Provincial Governments for increasing production are of interest:

	Loans Rs	Grants	
		(In 00,000)	Rs
Irrigation	62		101
Land Clearance and Development	15		75
Manures Distribution	24		23
Seeds	26		17
Fish Production	2		2.5
Fruit Schemes	—		2.5
Dairy Schemes	—		21.5
Livestock Schemes	4		4
Miscellaneous Schemes	5		17

Compared with 1946-47, the estimated total outturn of the seven major foodgrains, i.e. rice, jowar, bajra, maize, wheat, gram and barley, shows an increase of 1 million tons, the figures for the two years being 39,423,000 and 40,419,000 tons respectively.

The Foodgrains Policy Committee's Report recommended a target of increased annual production of 10 million tons, within the shortest possible time. This is to be achieved through large multi-purpose projects which will provide assured irrigation; intensive efforts to raise the production from the soil already under cultivation by increased use of water, manure and improved seeds, and the development of culturable waste lands. The expected increase in production from multi-purpose projects is 4 million tons, from the existing food production plans of Provinces and States within the next 5 years, 3 million tons and the balance is to be bridged by the reclamation and cultivation of culturable waste lands of all types.

**Land Reclamation**—A development since the advent of freedom has been the undertaking by the Central Ministry of Agriculture of large land reclamation projects in various parts of India with heavy tractors and ploughs. On December 16, 1947, a scheme of land reclamation through mechanisation—described as the largest in the East, excluding Soviet Russia—was put into operation in the Meerut District of the United Provinces, when heavy mechanical machinery moved up the first sods of 50,000 acres of culturable waste land overgrown with jungle and tall grasses. This scheme has since been followed by two similar schemes in the United Provinces, one in the Central Provinces and one in the Matsya Union. The Ministry of Agriculture has assisted the Provinces in reclaiming about 45,000 acres of land so far through tractors, either imported from Britain and the U.S.A. or rehabilitated in their own workshop at Pusa.

Symbolic of the present attitude to the primary producer is the increased emphasis which is laid today on the manufacture of compost from town refuse and gur (unrefined sugar) from palmyra juice. Today about 20,542 village centres are manufacturing nearly 1,250,000 tons of compost from refuse, and nearly 200,000 tons of gur is being made from palmyra juice.

Significant of the change in outlook in the provinces are the measures introduced in the Provincial legislatures for the elimination of absentee landlordism. They propose that rights in land should be taken over from the intermediary landlords who function merely as the collectors of rents. They should, after due compensation, be made to retire from the scene. These measures are designed to improve the security of land tenure and encourage agricultural improvement, at the same time assuring the tiller of the soil of a larger share of the return from his labour.

## IRRIGATION AND MULTI-PURPOSE POWER SCHEMES

The Indian sub-continent can boast that it leads the world in irrigation, with nearly 80,000 miles of canals irrigating some 70,000,000 acres, a vast system that, it has recently been computed, produces crops in a single year double the value of the capital outlay, outlay which has brought to Government a net revenue of 8%. But it is reckoned that only 6 per cent of the water wealth is utilized and thus a vast field still awaits and demands exploitation. This will involve the harnessing of the great waterpower potential estimated

at 36,000,000 H.P. as against 500,000 now in use. Bound up with such exploitation is flood regulation, conservation of soil, prevention of waterlogging, fish culture, afforestation, provision of good drinking water, creation of recreational facilities, malaria control, improvement of inland water transport.

Having now 44,500,000 acres under irrigation, India has under actual construction or investigation multi-purpose river valley projects that are calculated to produce 10,000,000 kilowatts of power and irrigate within a few years 10,000,000 acres. Prominent among these schemes are:

The Bhakra Dam Project, on the T.V.A. model, now under construction and to be completed by 1955, will throw a dam 480 feet high across the river Sutlej in East Punjab, and will irrigate 4½ million acres through a system of 200 lined canals and a net-work of distributaries. Power will be 160,000 K.W. and cost \$126,000,000.

The Damodar Valley Project, for which a Corporation was established during the year by the Central Government, on the T. V. A. model, is a scheme that will benefit a population of 7 million people in Bengal and Bihar, 5 million being in agricultural areas. It provides for a barrage at Durgapore, near Raniganj in West Bengal on the Damodar River, with a system of 8 dams and two main canals, holding a reservoir of 4,700,000 acre feet, and irrigating 800,000 acres. Power will be 300,000 K.W. and cost \$165,000,000.

**Mahanadi**—The Mahanadi Project in the comparatively poor province of Orissa, is designed to irrigate 2 million acres, generate 4 million kilowatts and open navigation for ships of 9 ft. draught for 380 miles on that river, as well as provide for control of floods, as do all these schemes. It is in three parts, the Hirakud Dam, the Tikarapara Project, and the Naraj Project, all independent of each other. The first is under construction.

The Hirakud Project provides for a three miles long across the main channel near the town of Sambalpur, the maximum height of the dam being 150 feet. The reservoir will submerge 135,000 acres and store 5.3 million square feet of water. It will irrigate over a million acres and generate 350,000 kilowatts. The scheme will make possible the building of a new city with factories for cement, iron, steel, ferro-alloys, aluminum, paper, sugar, cotton, fertilizer, chemicals, etc.—all of these being products for which the raw material lies within easy reach. The estimated cost is \$141,000,000, and a revenue return of 4% is expected after the first eleven years. The scheme is due for completion in 1953.

The Ramapadsagar Project in Madras provides for a dam 428 feet in height across the Godavari River, a dam that would take second place after the Hoover Dam in Colorado. The area irrigated will be 2,300,000 acres, yielding a million tons of rice annually, and power will be in the region of 150,000 kilowatts.

The Government of the Central Provinces and Berar has announced the beginning of the construction of a lake on the Wain-ganga River holding 33,000,000 acre feet of water. This scheme will

generate 250,000 kilowatts, irrigate 1,000,000 acres of land, and open up 320 miles of river navigation. Later subsidiary dams will increase the electric power to 600,000 kilowatts. The cost of the initial stage will be \$113,000,000 and the second stage \$166,000,000.

Other multi-purpose schemes under investigation are: the Kosi Dam Project in Nepal and Bihar, the Narbada Tapti and Sabarmati projects in the Central Provinces, Central India, Bombay, Baroda and Kathiawar; the Indravati and Sabri schemes in the Bastar State; the Brahmaputra, Barak, and Someshwari river valley development schemes in Assam; the Sone Valley Scheme in Bihar, United Provinces and Rewa State; the Ganga Barrage Project, a scheme of river control and resuscitation in West Bengal; the Mor Project in West Bengal; the Nayar Dam Project, Sarda Hydel Project, Rihand River Project in the United Provinces.

An important project planned jointly by the Madras and Hyderabad Governments is that of the Tungabadhra, one developing 28,000 kilowatts and to be completed in 1953. Madras has already started work on it.

**Kosi**—Indian engineers in July returned from a four-month Himalayan expedition during which they inspected the site of the Kosi Project. This river ranks after the Indus and Brahmaputra in the Himalaya region and has in its drainage areas over 23,000 square miles, Mount Everest and Kinchinjunga, the world's highest peaks, as also the great glaciers of Nepal. Its flood plain holds 900 people to the square mile and it is subject to devastating floods. The scheme is to throw a dam of 750 feet (higher than that of Hoover Dam) across the Chhatra Gorge in Nepal just above the famous temple of Barahakshetra, storing 11 million acre feet of water and irrigating 1 million acres in the Kingdom of Nepal and 2 million acres in the Indian Province of Bihar, and providing power of 1.8 million kilowatts (equal to that of Grand Coulee). The plan provides for a barrage in Bihar near the Nepal border with main canals on each side of the river.

No account of India's plans for the development of her water resources can omit mention of her indebtedness to the U. S. for the great exemplar T.V.A. and for the services of her engineers Messrs. Savage, Voorduin and Nickell.

## INDUSTRIAL POLICY AND INDUSTRIALIZATION

Higher production and equitable distribution are the twin objectives of the Government of India.

The Prime Minister, Pandit Nehru, broadcasting from Delhi, January 18, 1948, said: "We want a stream of wealth pouring out of our fields, factories and workshops and reaching our country's millions, so that ultimately we might be able to see India fulfil our dreams."

An industries conference was convened by the Government of India at New Delhi on December 18, 1947. Representatives of Government of India, provincial and state Governments, industry and

labour, attended. The conference called upon labour and management throughout the country to maintain peace during the next three years and avert lockouts, strikes and slowing down of production.

**Industries Conference Resolutions**—The conference recommended: (a) that the fullest use be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner; (b) the establishment of machinery, central, regional and functional, for the study and determination of fair wages and conditions of labour and fair remuneration for capital; and methods for the association of labour in all matters concerning industrial production; (c) the setting up in each industrial undertaking of works committees representing management and duly elected representatives of labour for the settlement of disputes which may arise from day to day; (d) that, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of the housing of industrial labour.

An All-India Industrial Advisory Council is to be set up shortly. It will be composed of representatives of main industries, and will meet periodically to review the production position in the country and suggest ways and means to implement the recommendations of the Industries Conference.

**Private Enterprise Versus Nationalization**—The Indian Parliament on April 7, 1948, passed a Government resolution laying down the Government's policy on this subject. The resolution stated that the state could contribute more quickly to the increase of national wealth by extending its present activities and by concentrating on new units of production in other fields, rather than on acquiring and running the existing units. Meanwhile, private enterprise, properly directed and regulated, had a valuable role to play.

The resolution prescribed that the state would be exclusively responsible for the establishment of new undertakings in the following fields, except where in the national interest, the state found it necessary to secure the cooperation of private enterprise:—coal, iron, steel, aircraft manufacture, shipbuilding, the manufacture of telephone, telegraph and wireless apparatus, excluding radio receiving sets, and mineral oils.

Existing undertakings in these fields will be allowed to continue as such for ten years, after which a decision will be taken in the light of circumstances existing at that time. If it were decided that the state should acquire any unit, due compensation would be awarded. A state enterprise will be managed, as a rule, through the medium of a public corporation under statutory control of the Central Government.

The rest of the industrial field will be open to private enterprise, individual as well as cooperative.

**Place of Foreign Capital**—The resolution stated that foreign capital would be of great value to India's rapid industrialization, but the conditions under which it was allowed to operate would be regulated in the national interest. Major interest in ownership and effective

control will be in Indian hands, but the power will be exercised to deal with exceptional cases in a manner calculated to serve the national interest.

**Pace of Industrialization**—In the one year that a popular Government, headed by Pandit Jawaharlal Nehru, was in power, India made remarkable progress toward industrialization, though it will be admitted much has yet to be achieved.

The main difficulty in the way of rapid industrialization is the lack of capital goods, which can be obtained largely from the United States. But the needed supplies are not forthcoming for two reasons: first, heavy demands on U. S. resources under the European Recovery Program, second, India's meagre dollar reserves.

India's leaders have requested the U. S. Government and business men to make a generous supply of capital goods to India in the larger interests of the world. Prime Minister Nehru, addressing the third session of the United Nations Economic Commission for Asia and the Far East at Ootacamund (South India), July 1, 1948, said that because of economic inter-dependence of the world, as never before witnessed, it was not a question of generosity but of enlightened self-interest that prosperous nations of the world should help develop the less fortunate countries.

An account of progress made by important Indian industries in the period under review is given below.

**Aircraft Manufacture**—The first India-built aircraft of high performance, glider type named "BARODA 1" was produced in Baroda state and made its test flights successfully on May 1, 1948. The Baroda factory was established a few months ago under the auspices of the Industries Research Section of the state Government, and has since been providing expert training to technicians in aircraft production.

The Hindustan Aircraft Company at Bangalore, which during World War II overhauled aircraft belonging to U. S. Air Forces and the R.A.F., has an ambitious programme. It is planning to assemble 15 planes from components, five from detailed parts and to manufacture 30 from raw materials by the end of 1949. Its authorized capital is \$12,000,000, of which two-fifths is paid up. The management is done jointly by the Governments of India and Mysore.

**Shipbuilding**—The first steamer made in India by Indian labour with the aid of Indian finance and under Indian management was launched at Vizagapatam on March 18, 1948, by Prime Minister Nehru. The 8,000-ton vessel, SS Jala Usha (meaning Sea Dawn), was built by the Scindia Steam Navigation Company. Another 8,000-ton vessel will be launched late this year. In 1949, the company expects to launch three, and, from 1950 onwards, five or more 8,000-10,000 tonners.

**Automobiles**—Three motor car manufacturing factories, two at Bombay and the other at Calcutta, are under construction. Their combined capacity when the entire plant has been installed is expected to be 20,000 vehicles per annum. Complete motor cars are expected to be produced by 1950.

Of these three factories, the Premier Automobiles, Bombay, is receiving assistance from the Chrysler Corporation of the U.S.A.; Hindustan Motors Ltd., Calcutta, from the Nuffield organization of Britain and Studebaker Company of America; and the Motor House (Gujerat), Bombay, from Kaiser-Frazer Corporation. Two more factories, one in the United Provinces, and another in Madras, are being planned.

Meanwhile, India has seven plants at the following centres for complete assembly of cars and trucks from knocked down condition: Bombay Province 3, Madras Province 1, Calcutta 2, Okha 1.

These plants together assembled 10,433 cars and 9,418 trucks in 1947.

**Locomotives**—Orders have been placed for the purchase of plant and machinery for a locomotive factory proposed to be built at Mihijam near Asansol. The workshop is expected to be completed in 1950.

The first batch of steam road rollers, built by Tata Steel Works at Jamshedpur (near Calcutta) was inaugurated on April 22, 1948.

**Steel**—There are three main producers of steel, namely, the Tata Iron and Steel Co. Ltd., the Steel Corporation of Bengal, and the Mysore Iron and Steel Works, their annual production capacity being respectively 850,000 tons, 350,000 tons, and 40,000 tons, totalling in all 1,240,000 tons. In addition, the Government Ordnance Factory at Ishapore has a production capacity of 24,000 tons annually. All these producers have drawn up plans for expansion, which would increase the total production capacity to 1,570,000 tons annually.

The Government of India are taking steps to set up either one or two new plants with a total productive capacity of 1,000,000 tons capable of being doubled, at an estimated cost of \$150,000,000. Messrs. Koppers, a Pittsburgh (U.S.A.) firm have been engaged to do the survey work. Messrs Arthur McKee and Co., Ohio, and the International Construction Company, London, have also been approached. According to preliminary forecasts, construction will be completed within five years.

**Textiles**—This industry is the largest in India, having nearly 10,100,000 spindles and 20,000 looms, capable of spinning a total quantity of 1,615,000,000 lb. of yarn and weaving 4,700,000,000 yards of cloth annually.

There are 380 textile mills in the country with a block capital of \$300,000,000 and providing employment for nearly 600,000 workers. The total value of production of the entire mill industry at the current prices is approximately \$1,200,000,000.

The handloom industry, which utilizes surplus yarn of the mills, produces cloth on a cottage industry basis. Approximately 1,200,000 yards of cloth is thus produced. The industry supports 10,000,000 workers, including their dependents.

Negotiations have been completed for the import of 100,000 spindles and 1,352 sets of looms from Japan. The spindles will be supplied in 1948.

**Paper Manufacture**—The potential productive capacity of India's 19 paper mills is estimated at 110,000 tons yearly. A newsprint factory with a capacity of 30,000 tons per year is being installed in the Central Provinces and will start producing by June, 1949. A large quantity is at present imported from outside to meet the expanding needs of the people, consequent on a vast literacy programme.

**Fertilizer**—A factory with an annual productive capacity of 350,000 tons of ammonium sulphate is well on its way to completion at Sindri (Bihar). Pilot production is likely to start by the end of 1949 and full production by 1950.

**Synthetic Petrol**—Plans for setting up a synthetic petrol industry are under way. Only second and third grade qualities of coal will be utilized for the production of synthetic petrol, because India's resources of first grade coal are limited.

**Cottage Industries**—India is mainly an agricultural country and farmers have plenty of spare time in off-seasons. Manufacture of handloom cloth, paper-making and pottery are some of the thriving cottage industries in India's villages.

The Industries Conference meeting in New Delhi, December 18, 1947, recommended the revival of cottage industries and suggested the establishment of an All-India Cottage Industries Board for research. A sound system of cottage industries will help to increase production and the earnings of poor farmers. Today, nearly 2,500,000 village handlooms provide work for 5,000,000 people.

**Planning and Research**—Not satisfied with the progress made so far, the Central and provincial Governments are proceeding with vast planning and research programmes. An Industrial Finance Corporation, with an authorized capital of \$30,000,000, has been approved by the Indian Parliament. The corporation will provide financial aid to public limited companies and cooperative societies.

The Bihar Government has earmarked a sum of \$15,000,000 for the industrial development of the province.

The industrial programme of the United Provinces includes the building of a cement factory at a cost of \$6,000,000, a turbine power plant of a total of 1,400 K.W. and a ten-ton per day viscose rayon plant.

A Department of Scientific Research was added to the Government of India, June 1, 1948, for centralized control over researches being held in various fields.

Seven national laboratories estimated to cost \$7,000,000 have been sanctioned to do research work and are in the process of being set up. These are: the Central Glass and Ceramic Research Institute at Calcutta; the Fuel Research Institute at Digwidh near Dhanbad; the National Metallurgical Laboratory at Jamshedpur; the National Physical Laboratory at Delhi; the National Chemical Laboratory at Poona; the Central Leather Research Institute at Guindy, Madras; and the Electro-Chemical Research Institute at Karaikudi (South India).

Forty-five research schemes financed by the Central, provincial and state Governments are being carried on at the Indian Institute of Science at Bangalore. These include the manufacture of penicillin and other antibiotics, preparation of new anti-malarial substances, research on vegetable oils, production of rubberlined equipment for chemical industries, electric furnace treatment of coal rich in sulphur, soya bean milk, investigation of sulphur deposits, etc.

An Institute of Nuclear Physics was founded at Calcutta University, April 21, 1948.

Sir C. V. Raman, winner of the Nobel Prize for researches on light (discovery of Raman Effect), is opening a Raman Research Institute at Bangalore for further scientific researches.

## COMMERCE

Foreign trade is a small fraction of India's total trade. In the field of commerce, as in all international fields, India is committed to the principle of cooperation, but that cooperation can be genuine and constructive only when it provides for that rapid development which her low standard of life demands. The necessity to develop national resources to the fullest extent and to pay for the goods and services required for that purpose demands the utmost possible expansion of the export trade, this accompanied by the control of imports to ensure that limited resources are fully used and conserved and luxury items excluded. In the great export drive that is now in progress care, however, is being taken that domestic markets are not starved for the creation of exports. With the policy of augmenting exports and controlling imports the following measures were introduced:

- (1) The progressive withdrawal of wartime restrictions.
- (2) The appointment of more trade commissioners and the institution of an Indian Trade Commissioner service.
- (3) The reorganization of machinery for the collection and compilation of commercial intelligence.
- (4) The setting up of a well-equipped publicity organization and the appointment of publicity officers in the offices of trade commissioners.
- (5) Participation in international trade fairs and exhibitions.
- (6) The dispatch of official and non-official trade missions to foreign countries to survey foreign markets and establish contacts.

The Government of India is a signatory to the General Agreement drawn up at Geneva in 1947 and to the I.T.O. Charter framed at Havana in 1948. India maintains now as a cardinal item of her policy that she must have liberty to pursue her development unhampered by international obligations, and for that reason she cannot agree to the complete elimination of tariff preferences. India showed at Geneva, however, that (1) her protective preferences were few and judiciously framed; (2) her tariff was moderate; (3) her revenue

duties formed an important part of her tax revenues; and (4) tax preferences surrendered could be surrendered only on a mutually advantageous basis.

**Tariff Concessions**—In connection with the General Agreement at Geneva negotiation was carried on with Australia, New Zealand, Canada, Belgium, the Netherlands, Luxemburg, Brazil, Chile, China, Czechoslovakia, Cuba, Syria, Lebanon, France, Norway and the United States of America, and it was directed to the substantial reduction or elimination of preference on a reciprocal and mutually advantageous basis.

The major items on which India has granted concessions are: milk and milk products, canned food, fruit and vegetables, chemicals, drugs and medicines, coal-tar, dyes, machinery (specified classes), motor cars and taxi cabs (reduction of preference only), radio receiving sets and transmitters, typewriters and other office machinery, optical instruments, raw wool (textiles), fertilisers and domestic refrigerators and refrigerating machinery.

The principal commodities in respect of which concessions have been made to India are: jute and jute manufactures, cotton manufactures, cashew nuts, mica, shellac, coir-matting, sports goods, carpets, spices and condiments, essential oils, tea and tobacco.

Exports have increased greatly since August 15, 1947, when India attained her independence. More commodities are being gradually decontrolled, and a more liberal licensing policy, where immediate decontrol is not feasible, is being adopted. For example, the cotton piecegoods export quota has been increased to 200 million yards for the current half year from 150 million yards for the corresponding period of last year.

**Earnings**—Earnings from exports for six months ending June, 1948, amounted to \$610,000,000 as compared with \$500,000,000 for the corresponding period in 1947; and this figure does not include the value of export trade with Pakistan, the complete data for which are not available.

Quantitative figures of exports from the three major Indian ports—Bombay, Calcutta and Madras—during the first half of this year as compared with the corresponding period in 1947 show increases in respect of jute (raw and manufactured), hemp, bones and manures, mica, castor oil, linseed oil, groundnut oil, miscellaneous seeds, gums and resins and dyeing and tanning substances. These increases are all the more noteworthy when it is realized that the 1947 quantitative data included the exports of undivided India.

Special mention may be made of jute as a principal item of trade with the United States. The total export of raw jute stood at 164,700 tons during the period under review as compared with 150,600 tons for the corresponding period last year. Nearly 30,700 tons were shipped to the United States while Brazil closely followed with 20,700 tons. About 596,200 tons of jute manufactures were shipped against 402,400 tons in the corresponding period in 1947. The dollar areas took the largest share—291,100 tons.

For the whole year 1947-48 the value exports has been computed to be roughly \$1,000 million and the target set for 1948-49 is \$1,200 million.

## ECONOMIC AND FINANCIAL REVIEW

The first annual budget, presented by R. K. Shanmukham Chetty, Finance Minister, on February 28, 1948, suggested the nature of the burdens India had to assume on attaining independence. India's progress in economic recovery after the war had been negligible. The dislocation caused by the mass migration of people between Western Pakistan and India required active steps to provide financial assistance to the refugees for relief and rehabilitation. To this end a provision of Rs. 100.4 millions (approx. \$30 millions) was made in the budget and another sum of Rs. 100 millions (\$30 millions) was advanced to the Rehabilitation Finance Administration.

Inflationary pressure resulting from too much money chasing too few goods was the feature of the country's economy. The balance of trade, which before and during the war had been in India's favour, enabling her to accumulate sterling balances in London, repatriate the sterling debt and purchase the Indian railways and other British investments in India, turned into an unfavourable balance in 1946-47, the first post-war year. Had it not been for the restrictive import policy introduced in June, 1947, the deficits in India's balance of payments would have been greater. The reason for the deficits was the importation of producer as well as consumer goods from abroad to supply long pent-up demand, and of foodgrains to make up the shortage in internal production. It was therefore decided to take every step to increase the production of food so as to reduce imports and at the same time increase production in every field, so that it would be possible to increase export income without reducing home consumption.

**Sterling Balances**—India's sterling balances, accumulated in London mainly as the result of wartime expenditure by Allied Governments and excess of exports over imports, reached the peak figure of Rs. 17,300 millions (\$5,100 millions) on April 5, 1946. Thereafter they declined rapidly, owing to heavy purchases abroad of food and machinery, and stood at Rs. 15,470 millions (\$4,650 millions) in the middle of July, 1947. The terms of the agreement signed between Britain and India on August 14 provided for the release of £35 million for expenditure in any currency up to December 31, 1947, plus an additional £30 million of multilateral convertible currency as a working balance.

India's first agreement with Britain on the utilization of sterling balances was signed on behalf of both India and Pakistan. The second agreement, signed on behalf of India only, extended the life of the first agreement, with some modifications, up to June 30, 1948. Under the second agreement a limit was put on India's right to multilateral convertibility of the balances to the extent of only £10 million. This restriction was expected to necessitate borrowing from the International Monetary Fund, and it was accepted because

of the rapidly diminishing resources of gold and dollars held by the sterling area.

In view of the undesirability of negotiations for the release of sterling balances every few months, a long-term agreement was concluded between India and Britain in July, 1948, to cover a period of three years. The main features of the agreement are: first, His Majesty's Government is to be paid a sum of £100,000,000 in full and final settlement for all military stores and installations located in India which were the property of the British Government. Second, in regard to pensions payable in Britain, the annual liability is of the order of £6,250,000. It was decided to pay Britain £147,500,000 and to purchase a tapering annuity starting with £6,300,000 this year and falling to nothing in 60 years. In respect of the liability of the provinces, payment of this account was agreed at £20,500,000.

Third, on the question of the utilization of the remaining sterling balances an agreement was made for three years. During this period Britain will release £80,000,000 and, in addition, India will carry forward an unspent balance of £80,000,000 out of previous releases. The total available foreign exchange for these three years, over and above current earnings from exports, will thus be £160,000,000.

Fourth, on the subject of dollar requirements, it was agreed that for the first year Britain will make available £15,000,000 for conversion into any currency. Besides, under recent agreements made by Britain, several countries, including Switzerland and Sweden, have become soft currency areas. The Finance Minister, speaking of the agreement, declared that the question of scaling down the sterling balances had not been raised, and furthermore could not arise either on moral or technical grounds. It cannot be contended, he said, that India did not bear on her own account her full share of war burdens. A great proportion of India's balances, like the balances of some other countries, represent wartime accumulations which indicate the extent of the strain on the internal economy of the countries concerned.

**Economic Development**—The budget for 1948-49 included a provision of Rs. 300 millions (\$90 millions) for grants to the Provinces for development and Rs. 340 millions (\$102 millions) for loans to them. For Central schemes of development Rs. 107.5 millions (\$32.5 millions) was provided from revenue and Rs. 255 millions (\$76 millions) from capital. These schemes cover a wide field, including the expansion of the Forest Research Institute at Dehra Dun, development of forests in the Andaman Islands, preliminary work on the Kosi, Sone Valley, Ghandak and Assam Valley hydro-electric projects, the setting up of a tractor testing station, the establishment of a Central Agricultural College, the expansion of the Indian Agricultural Research Institute, the loan of Rs. 20 millions (\$6 millions) to the Damodar Valley Corporation and the investment of Rs. 10 millions (\$3 millions) in the Industrial Finance Corporation. The budget provided Rs. 20 millions (\$6 millions) for buildings for development schemes, Rs. 62.5 millions (\$19 millions) for the construction and improvement of national highways, Rs. 62.5 millions

(\$19 millions) for the construction of a fertilizer factory at Sindri, Rs. 40 millions (\$12 millions) for the expansion of civil aviation and Rs. 7 millions (\$2.25 millions) for the expansion of broadcasting.

**Financial Position**—Against an estimated revenue of Rs. 2,562.8 millions (\$771 millions), the budget showed an anticipated expenditure of Rs. 2,573.7 millions (\$774 millions), and an uncovered deficit of Rs. 10.9 millions (\$3.3 millions). The Finance Minister expressed the view that the financial position of the country was intrinsically sound and that the future could be faced with sober confidence. The total outstanding public debt of Rs. 17,950 millions (\$5,400 millions) was expected to rise by Rs. 560 millions (\$170 millions) to Rs. 18,510 millions (\$5,650 millions) at the end of the budget year 1948-49. The total of the interest-bearing obligation was expected to be Rs. 22,310 millions (\$6,700 millions). This obligation is covered by interest-bearing assets such as the Railways, Posts and Telegraphs, amounts due by Provincial Governments and so on. The total interest-bearing obligation not covered by interest-bearing assets amounts to no more than Rs. 8,640 (\$2,600 millions) at the end of 1948-49. This deadweight debt is small in comparison with the country's resources and the national income. India's national income is estimated at Rs. 45,000 millions (\$13,500 millions). The public debt is less than half of this figure.

**Industrial Finance Corporation**—The Indian Legislative Assembly passed in March, 1948, the Industrial Finance Corporation Act to "supplement existing facilities available for the supply of medium-and long-term capital to industry." The measure, first contemplated in 1916-18, is calculated to accelerate the progress of India towards industrialization. It will apply to all Indian provinces and those acceding states which accept the authority of the Indian Legislative Assembly to make laws for them with respect to the subject-matter of the Act. The Corporation will be authorized to grant secured loans to industrial concerns, subject to a maximum of Rs. 5 millions (\$1.5 millions) in the case of any individual concern. In appropriate cases the Corporation may advance loans in terms of foreign currency. The Corporation's aid will be available only to public limited companies and co-operative societies—a direct incentive to the formation of public limited companies. The Corporation is also authorized to receive fixed deposits for not less than five years.

## COMMUNICATIONS

**Railways**—The communal disturbances in northwest India following partition put the railways to a severe test. Not only were they called upon, almost overnight, to carry millions of passengers from Pakistan to India and vice versa, but to move large quantities of food supplies from surplus to deficit areas and for the use of refugees. These vast operations were carried out with inadequate, worn-out rolling stock and locomotives, by depleted staff (the Moslem members having left for Pakistan) in conditions demanding unusual courage, endurance and loyalty. From August 15, 1947, to March 31, 1948, the railways, which are state-owned, registered a loss of Rs. 52 millions.

Partition resulted in a division of the railway lines, giving 24,565 miles to India and 6,748 miles to Pakistan. In December, 1947, the Railway Standing Finance Committee approved of rolling stock and machinery programmes costing Rs. 267 millions. This provided for the purchase of 243 locomotives and 109 boilers and the building of 58 metre gauge locomotives at Ajmer, and for 1,100 coaches and 6,359 wagons. An order for 200 locomotives was placed in the U.S.A. and Canada in May, 1948. The Tata Locomotive Works are manufacturing boilers in India but it will take some time to manufacture locomotives. A Government factory for locomotives will be set up at Asansol as soon as the machinery, for which orders have been placed abroad, is delivered. The difficulties of Indian railways are due to the fact that of the total number of locomotives in use, a third are over-age and would have been replaced if replacements were available.

Though the number of passengers carried by Indian railways in 1947-48 was more than double the number of passengers carried in 1938-39, the amount of passenger train capacity was 14.5 per cent less than in 1938-39. These figures show the extent of congestion on the railways and the scope for expansion.

**Roads**—There are 264,605 miles of roads in India after partition. In January, 1947, the Standing Finance Committee for Roads approved a five-year plan for national highways. The expenditure contemplated was \$114,000,000 for the whole of India comprising \$90,000,000 for development works and \$24,000,000 for maintenance. Roughly a third of the development expenditure will be spent on major bridge projects. The Central Government assumed complete financial liability from April, 1947, for the development and maintenance of roads classified as national highways.

On July 7, 1948, a new 65-mile metalled road connecting Pathankot with Jammu and forming a vital link between India and Kashmir, was opened by the Prime Minister. Built by civil and military engineers, the road is India's greatest post-war engineering achievement. The road passes through rolling country with swift torrents, innumerable small streams and three big rivers. Three major bridges, 15 minor bridges, 173 culverts and innumerable causeways were constructed. The total length of the bridges and culverts is 11 miles. The labour spent on building the bridge on one of the rivers, the Ravi, was enough, according to estimate, to build an ordinary road 150 miles long. In addition to engineering complexities, the men at work had to face raiders' bullets from across the border and an unprecedented winter flood. Considering these difficulties, the completion of the road in three and a half months is held to be a record.

After the division of Assam for the purpose of creating eastern Pakistan, there was no direct road link between that province and the rest of India. Assam's capital, Shillong, was therefore connected on April 13, 1948, by a new road passing through Indian territory. Assam's transport difficulties, it is hoped, will now be considerably eased.

**Civil Aviation**—India has 22 internal air routes, and internal air services flying about 25,000 miles daily. There was an increase of 100 per cent in miles flown and 77 per cent in ton miles operated during 1947 as compared with the preceding year. There were 16 daily and 42 weekly services. The number of miles flown was 4,648, 155 and the traffic carried was 8 million ton miles. The number of passengers flown was 136,806. The regularity factor was 95.5 per cent in spite of the emergency operations to Kashmir and the evacuation of refugees from Pakistan. The first air freight service, between Amritsar and Srinagar, was started in June, 1948.

New plans for bigger and better airports are being put into operation, and a scheme has been approved for the improvement of aerodromes at a cost of \$6,000,000. The civil Aviation Department maintained 26 aerodromes during 1947, as against 16 in 1946. Proposals for the establishment of two new flying centres are under consideration. Plans are ready for the production of aircraft. A Bangalore firm, Hindustan Aircraft Ltd., jointly owned by the Government of India and Mysore State, has started the assembly of trainer aircraft for the Defence Ministry of the Government of India.

India has signed air agreements with the U.S.A., Holland, France, and Sweden. Air pacts are envisaged with Britain, China, Egypt, Switzerland, Australia, Ceylon, Burma, Malaya, the Netherlands East Indies, Indo-China, Persia and Iraq. An agreement between India and Pakistan was signed on July 23, 1948. Three Indian air services are already operating between Calcutta and Rangoon, and Madras and Colombo under temporary agreements with the Governments of Burma and Ceylon.

A milestone in India's overseas communications was laid on June 8, 1948, when a four-engined Constellation, *Rajput Princess*, took off from Santa Cruz airport, Bombay, on its inaugural flight to Britain. The flight marked the opening of India's first overseas air service, which is operated twice weekly in both directions by a Government-sponsored organization known as Airindia International Ltd. The firm has an authorized capital of \$6,000,000 of which the Government of India holds 49 per cent. While the Government has control over the company's policy and operations, the day to day management of the service will be in private hands.

**Shipping**—The tonnage of shipping on the Indian register is about 300,000. The target set by the Government is 2,000,000 tons for carrying India's entire coastal trade and for the substantial carriage overseas of import and export trade in India's bottoms. There are six firms capable of undertaking new construction: three in Calcutta, two in Bombay, and one in Vizagapatam. The target for construction is 10,000 tons gross per annum, which is their present capacity. From 1950 it is hoped to build 50,000 tons gross yearly.

The first Indian-built ship, an 8,000 ton ocean-going steamer named *Jala Usha* (meaning Sea Dawn, the dawn of Indian ship-building) was launched on March 14, 1948, by the Prime Minister at Vizagapatam.

India will have one of Asia's largest sea ports in operation when a Rs. 75 million scheme for the development of Madras harbour is

completed. A start has been made involving an expenditure of Rs. 40 millions. A wet dock costing Rs. 35 millions will also be constructed, and will double the capacity of the port.

**Posts and Telegraphs**—There has been a large expansion of postal facilities since Independence Day. This has taken the form of more new post offices in the urban and rural areas, introduction of earlier deliveries and later clearances, and increase in their number, and quicker delivery of postal articles. Between August 16, 1947, and March 31, 1948, new sub-offices opened in towns were 183, and in villages 1,155, bringing their totals to 3,731 (urban) and 18,149 (rural). The Indian Post Office is now handling nearly 2½ million postal articles daily, about 2 per cent more when compared to traffic a year ago.

The Government of India have prepared a scheme for the wireless link-up of the country's important cities, and this has been approved by the Standing Advisory Committee of the legislature. Short-wave transmitters of 5 K.W. each and ten receivers of the triple diversity type will be used, both being worked with teleprinters. The capital cost will be \$1,100,000 and the annual recurring expenditure \$210,000. The project will supplement overhead telegraph channels and provide quicker transmission of high priority and express traffic. The present wireless link between Calcutta, Bombay, Delhi and Madras is maintained with the use of old-type and less powerful equipment.

Indian-made automatic telephones will be available early next year as the result of a Government of India decision to set up a fully equipped factory to manufacture them. The assembly of 25,000 automatic telephones will start in October.

**Radio**—All India Radio, the Government broadcasting authority in India, operated a network of medium and shortwave stations throughout India. On partition, the stations at Lahore, Peshawar and Dacca went to Pakistan. Since partition the Government of India opened broadcasting stations at Jammu, at Jullundur in the East Punjab, at Patna in Bihar, at Cuttack in Orissa, at Shillong and Gauhati in Assam, and at Nagpur in the Central Provinces. Together with the older stations at Bombay, Calcutta, Lucknow, Delhi, Madras and Trichinopoly, the network of All-India Radio's stations covers all the Indian provinces.

Speaking at the opening of the Nagpur station, Sardar Vallabhbhai Patel, Minister for Information and Broadcasting, on July 16, 1948, said: "Broadcasting occupies a prominent place in the life of our nation. In India broadcasting has materially contributed towards the unity of her people. . . . We have an ambitious broadcasting plan, but it will take some time to complete."

The eight-year plan, which is delayed for lack of technical equipment, visualizes the installation of eight high-power medium-wave transmitters for urban programmes, two each at Bombay, Calcutta, Madras and Delhi; the installation of 3 K.W. medium-wave transmitters for rural programmes, one each at Bombay, Calcutta and Madras; the installation of two high-power and one 20 K.W. medium-

wave transmitters at Allahabad; the installation of 20 K.W. medium-wave transmitters at Nagpur (Central Provinces), Bezwada (Madras), Ahmedabad (Bombay), Cuttack (Orissa), Dharwar (Bombay), Gauhati-Shillong (Assam) and Calicut (Madras). The plan contemplates five zones based on linguistic, musical and cultural affinities: Delhi, Calcutta, Madras, Bombay and Allahabad. The cost of the scheme is estimated to be \$10,777,000 non-recurring and \$2,596,-000 annually.

In July, 1948, the Ministry of External Affairs started a daily wireless service in morse for Indian missions abroad.

## HEALTH

Relief and Rehabilitation was the chief concern of the new Government of India's Health Ministry and overshadowed all other health planning during the year. For this purpose a separate department called the Refugee Medical Relief Section under the Deputy Director-General of Health Services was opened. A Refugee Medical Relief Committee was also instituted by the Ministry with the Director General of Health Services as Chairman. There were over 160 refugee camps in India accommodating 1,250,000 refugees. All were in need of food clothing, shelter and medicine on arrival from Pakistan. Medical supplies were rushed to the various camps and medical supply depots were opened immediately to ameliorate the situation caused by the loss of the supply centre in Lahore. By November 16, 1947, little over 3,500,000 doses of vaccine and 45,000 lb. of medical stores had been dispatched to the East Punjab. The Ministry also sent 3,140,000 doses of vaccine to Pakistan as well as 220,000 ccs of Cholera vaccine to the Indian states which had received refugees. Production at the three vaccine centres in India was stepped up ten times and over 1,000,000 doses of Cholera vaccine alone was produced each week.

The largest camp in East Punjab, the Kurukshetra Camp, run entirely by the Government, covers an area of 9 square miles. Though it was meant to shelter only 200,000 at a time the number of refugees totalled 300,000 in November 1947. The camp is divided into four towns with over 50,000 persons in each. The office of the Director-General of Health Services has the responsibility for medical and public health arrangements and with the splendid cooperation of the Army and volunteers all such facilities were organized. Each town was equipped and staffed with dispensaries and child welfare centres. Sanitary regulations were enforced so efficiently that rarely was a fly seen.

This was an emergency situation however, and the Minister, Rajkumari Amrit Kaur, stressed the fact that health and sanitation planning was necessary for the whole of India and on a practical and long-term basis. Rajkumari Amrit Kaur presided over a meeting on May 16, 1948, which set up a national plan for a three-point programme emphasizing the care of mothers, infants and adolescents. This committee serves as a coordinating agency for the national organization which will have branches all over the country.

**Bhore Report**—The Government of India has accepted the recommendations of the Health Survey and Development Committee (the Bhore Committee). In a fourfold programme which was proposed in January of this year the objectives of a national health programme were set forth. The plan "should provide the individual with adequate curative and preventive medical facilities not in relation to his capacity to pay but in relation to the requirements of his physical and mental condition." This programme will make provision for (a) training of medical and auxiliary personnel, (b) expanding of existing health services, (c) the promotion of medical research, (d) the education of the people to preserve their own health through the practices of personal and communal hygiene. The shortage of doctors is acute and Dr. Mehta's plan encourages the use of non-medical personnel such as technicians, social workers and teachers to aid in enforcing sanitary regulations, the teaching of basic hygiene principles and to assist in the giving of vaccines and inoculations. The United Provinces have already begun a plan which makes it imperative for every employee hired by the Government after January of 1949 to possess a Social Service Diploma. This Diploma is earned in a one-year course which has already commenced and in which the students attend a camp-type school. Nearly 600 college graduates constituted the first group and they will utilize their training in village night schools teaching basic principles of hygiene and cleanliness. Delhi, Madras and the Orissa Governments have also announced their rural health plans and have already embarked on "on-the-job" training schemes.

The All-India Medical Institution Committee was inaugurated in Delhi in 1947 to advise the Central Government regarding the steps necessary to establish an All-India Medical Institute. This will be a "super" medical college to provide professors and research workers and will in turn train doctors and technicians so urgently needed.

Another great step was the establishing of the Indian Nursing Council in 1947 which grants professors recognition; establishes minimum qualifications for nurses, midwives and health visitors; raises the standards of training and unifies the requirements and qualifications in all the provinces and estimates the establishing of nursing colleges. The target is 300,000 doctors, 778,000 nurses, 70,000 health visitors and 1,000 midwives.

**Research**—Progress has been made in the field of research and two successful experiments were conducted in villages in Delhi for Malaria control. New drugs successful in the treatment of leprosy were introduced at the School of Tropical Medicine, Calcutta, and the Haffkine Institute has produced a new plague vaccine. Research in nutrition has been especially important due to the insufficient diet of the masses and experiments are now being conducted in Bangalore to fortify milk with calcium and yeast extract to produce a more "potent" milk. Similarly experiments are being conducted with other food-stuffs such as cereals, pulses and rice to determine methods that will produce a more nutritive food.

The Government has also been concerned with provision for adequate dental care and curative and preventive measures for eye and ear diseases. Making a definite forward trend, the first eye bank

was opened at the Gandhi Eye Hospital in Aligarh on May 28 of this year. The bank is affiliated with the Eye Bank for Sight Restoration in New York.

## EDUCATION

In the field of Education, the Government of India, under its Education Minister, Maulana Abul Kalam Azad, a great Moslem scholar, have commenced the immediate execution of plans designed to obliterate illiteracy, which is now 87 per cent. The Government aim to achieve adult literacy within 10 years, but several provincial Governments have to shorten this period to five.

In the United Provinces 2,200 basic schools were opened in 1947 and 4,400 on July 1st, 1948. Basic school covers all grades up through junior high school and provides for children from 6 to 14 years of age. Instruction is not only in reading and writing but in citizenship, sanitation and vocational training of the type useful to each child's particular area.

Three other provinces, Bihar, Bombay and Madras, have also started on their plan for providing free compulsory education for this age group. The cost of the total elementary programme is estimated at \$500,000,000 per annum as contrasted with the \$90,000,000 which was the expenditure for all education in 1940-41.

Secondary schools consisting of four years technical or university preparatory work will be open for those who have had basic schooling and who are most likely to benefit. Heretofore there has been a vast difference and disunity in the secondary school field in India. The present plan is designed to unify the system on a national basis.

There were 15 universities in 1941 with a total of 152,862 students. The number has now increased to 24 with a corresponding increase in students, and additional institutions are being planned.

Under the All-India Council of Technological Education a central college for agriculture has been started in Delhi and six boards of technological studies in engineering, metallurgy, architecture and regional planning, chemical engineering and technology, textile technology, applied art and commerce and business administration, have been set up.

**Teacher Shortage**—The teacher shortage was a great handicap to the immediate success of literacy plans and the estimated need is for 2,000,000 additional teachers. Three training colleges are to be set up in Delhi for the training of secondary teachers. The Central Institute was inaugurated in that city in December, 1947 and will graduate "model teachers" for the province as well as serving as an educational research school.

Education of the mentally and physically handicapped had been conducted in a desultory fashion but provision for this group is now incorporated into the state system. Existing schools will be reorganized and additional ones set up for the blind and deaf and the number

for the blind has already increased from 24 to 39. A central Braille press is planned to produce suitable literature. It is proposed to add vocational departments in order to determine the students' aptitudes and train them accordingly.

The United Provinces Government has created an innovation in their new Social Services Cadet Plan which is based on Mahatma Gandhi's idea of social reconstruction. It is a one-year course and will be required of all employees taken on by the United Provinces Government after January, 1949.

A social education plan has also been prepared for Delhi province and was introduced on July 7th of this year. Instruction will be given in universal ethics with special emphasis on the need for the tolerance of different views. Group activities will be introduced and encouraged and oral and visual education will be promoted by means of films and talks by travelling units. Lecturers will be included in these units and the subjects will be personal hygiene, simple methods of agriculture, cottage industries and cooperative activities.

**Culture Trust**—With the trend toward modernization of the educational system India's heritage of culture will not be sacrificed and it is planned to establish a National Cultural Trust. This Trust will have three academies for arts, architecture, letters, music, drama and dancing. Funds have also been sanctioned for Viswabharati, the famous school founded by the late poet Rabindranath Tagore, for training teachers in arts and crafts who will serve in rural areas. The Jamia Millia Islamia of Delhi has expanded its facilities to include the same type of teacher training programme. A National Museum with departments in Art, Anthropology and Archaeology will be established.

A committee of philosophers headed by Dr. Radhakrishnan, Professor of Oriental Philosophy at Oxford, has been appointed to crystallize India's contribution to civilization in a history of Indian philosophy which will indeed be a unique contribution to the world.

## SERVICES

An enormous strain was placed on the Services of India, such as the Armed Services, the Administrative Services, the Police, Railway Staff and Posts and Telegraphs, during the year.

For the restoration of tranquillity in the Punjab and the movement of refugees each way, the Police—the majority of whom in the East Punjab and Delhi had been Moslems and had elected to go to Pakistan—was in no position. This work fell on the Armed Forces, particularly the Army and the Air Force.

To describe in detail the work that the Army did in quelling disturbances in the Punjab, in moving refugees, in receiving refugees from Pakistan and looking after them, would take volumes. The fatigue from which they suffered after weeks of ceaseless effort was worse than anything of the kind the same Army units had encountered during the war; but even worse than physical strain was

the strain on the spirit. Examples of aberration there have been, but it is a tribute to the morale and discipline of India's Armed Services that neither their partition nor the subsequent work deflected them from their duty.

The refugee camp at Kurukshetra, which the Army opened and ran, was the biggest camp for displaced persons in the world, and most certainly one of the most efficient. The Armed Services most truly proved their loyalty to the Nation in the early days of independence.

Again when Mahatma Gandhi was slain, it was the Armed Services which undertook at short notice to arrange for the funeral ceremonies. This was the case also at Prayag where the Mahatma's ashes were consigned to the holy waters of the Ganges.

The Armed Services were divided on the basis of two for India and one for Pakistan. Observers who were aware of the accomplishments and traditions of the Indian Army in wars and between wars, had predicted that partition would lower discipline and bring disaster. Happily, such predictions remain unfulfilled, and the Army tackled the many tasks which were assigned to it in an able manner, drawing praise from the Prime Minister and others.

Of the Army's part in Kashmir, reference has been made elsewhere in these pages, but a bald account cannot give any idea of the tremendous work which the Kashmir operations have involved.

The officering of the Armed Services in the upper grades by Indians made progress during the year. This coincided with the reduction of the Army from its swollen wartime size to a reasonable peacetime figure. There were dangers such as too rapid promotions. However, the younger officers in their new ranks gave as good an account of themselves as officers in the Allied Army had done during the war.

During the year, all the Army Commands passed from British to Indian hands, with the exception of the post of Commander-in-Chief, which is still held by a Briton. In addition, there are just over 250 British officers serving in the Indian Army in various advisory, technical and instructional capacities.

The Navy began its expansion during the year, and a cruiser, H.M.I.S. Delhi (formerly H.M.S. Achilles) was acquired. Officers and Ships' Companies were trained in the U.K. for cruiser work. Three destroyers are also being bought from the Admiralty, and new training institutions were opened in India to fill the places of those which were in Pakistan.

The Royal Indian Air Force, in which there are hardly ten Britons today, is a compact force. It has captured the imagination of the people of India by its daring feats in Kashmir. In the early days of the Srinagar Valley fighting, the Air Force's cooperation was invaluable. Subsequently, it has ferried supplies and troops under the most difficult flying conditions, operating from short, uneven strips. Indian pilots have flown over 20,000-foot peaks in rarefied atmosphere to bomb or take troops to Himalayan fastnesses.

**Administrative Services**—British officers in what were known as "Secretary of State's Services" (such as Indian Civil Service, Indian Political Service and Indian Police) left during the year. The Government of India gave them pensions or, in the case of those who had not completed their normal term of service of 25 years, proportionate pensions, in addition to compensation for the abrupt termination of career, amounting to a maximum of £8,000.

The departure of British officers created so many vacancies in the administrative structure that skilled and trained persons were urgently in demand. The Government of India opened an Indian Administrative Service Training School in Delhi, and forthwith began recruiting officers both for the Civil Service and the Police. Meanwhile, persons in civilian occupations are being recruited to posts for which they are qualified.

In the Railways, Posts and Telegraphs, whose ranks were depleted by the migration of those who had elected to serve in Pakistan, vigorous training of new recruits brought about the steady continuance of the services.

## CONCLUSION

These have been some of the activities of the Government of India during the year. There are others not listed or described, not tangible—such as the spirit of the Nation, the new mood. There are also important accomplishments to note in the social life of the country. For instance, a determined onslaught has been made by caste Hindus themselves for the abolition of caste restrictions which have been a curse. Temples were opened to all classes of people, especially in the south where prejudices had lingered longer. The cooperative spirit was fostered and the ideal of a secular, democratic State was propagated with marked success.

The codification of Hindu law was completed and the Bill was presented in the Central Legislature.

Although there was much agony and although Indians had cause to feel a sense of shame over some of the things that had happened, the remarkable achievements recorded during the year gave them self-confidence and pride in their Nation.





